

Alaska Department of Transportation & Public Facilities

Alaska Marine Highway System *for* Senate Finance Sub-Committee

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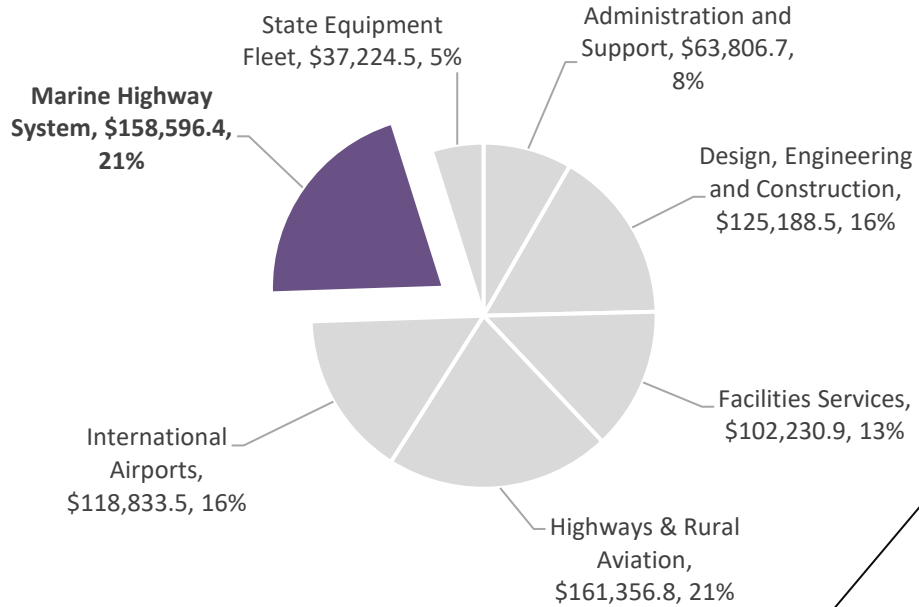
Director, Program Management &
Administration

March 19, 2024

CY2025 Operating Budget Overview

CY2025 Operating: All Funds

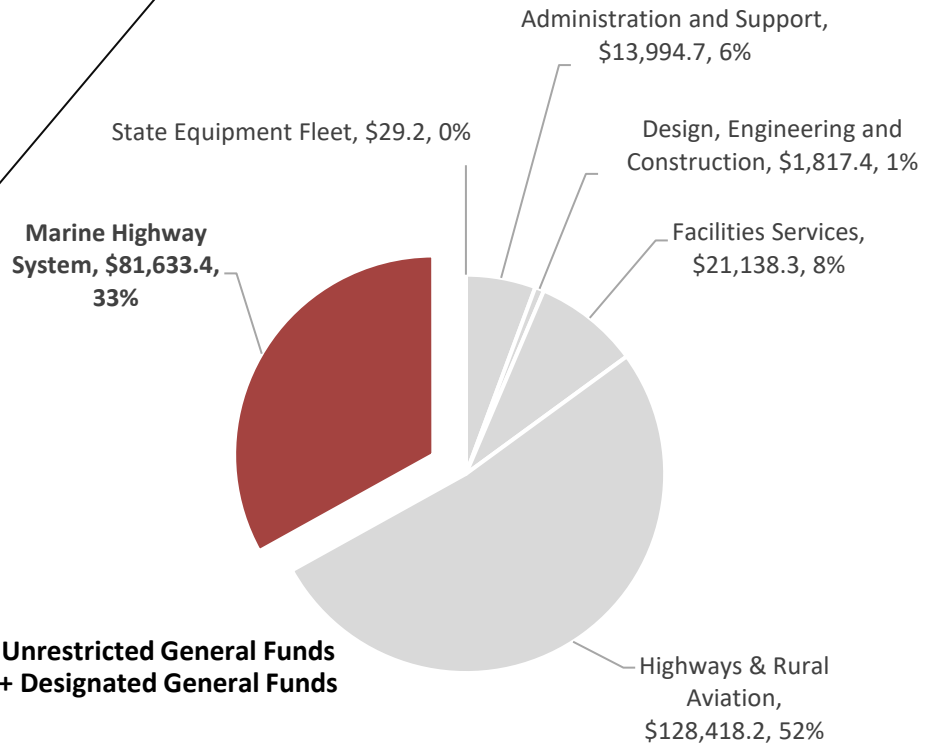
\$ in thousands



National Highway System -
 Alaska Marine Highway Routes: 3,500+ miles
 Land Routes: 2,233 miles

Alaska Highway System -
 Land Routes: 1,487 mile

CY2025 Operating: Unrestricted General Funds + Designated General Funds



CY2025 Marine Highway Budget

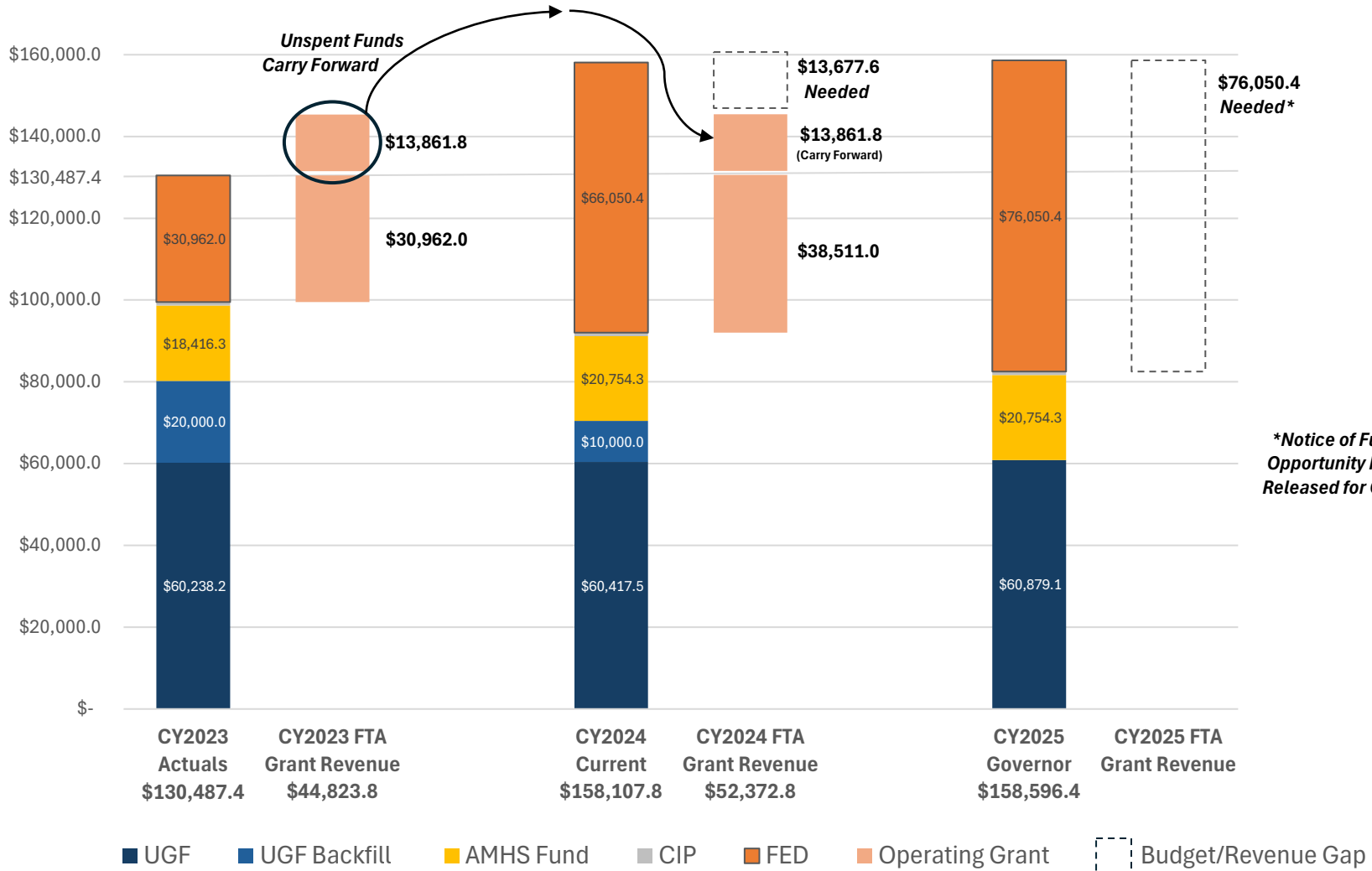
CY2025 Operating Budget by Fund	
1002 Federal Receipts	\$ 76,050.4
1004 Unrestricted General Fund Receipts	\$ 60,879.1
1061 Capital Improvement Project Receipts	\$ 912.6
1076 Alaska Marine Highway System Fund	\$ 20,754.3
Grand Total	\$ 158,596.4

CY2025 Operating Budget by Component	
Marine Engineering	\$ 2,937.8
Marine Shore Operations	\$ 8,122.8
Marine Vessel Fuel	\$ 23,568.4
Marine Vessel Operations	\$ 115,605.0
Overhaul	\$ 1,699.6
Reservations and Marketing	\$ 1,485.4
Vessel Operations Management	\$ 5,177.4
Grand Total	\$ 158,596.4

\$ in thousands



Federal Authority & Revenue in Operating Budgets

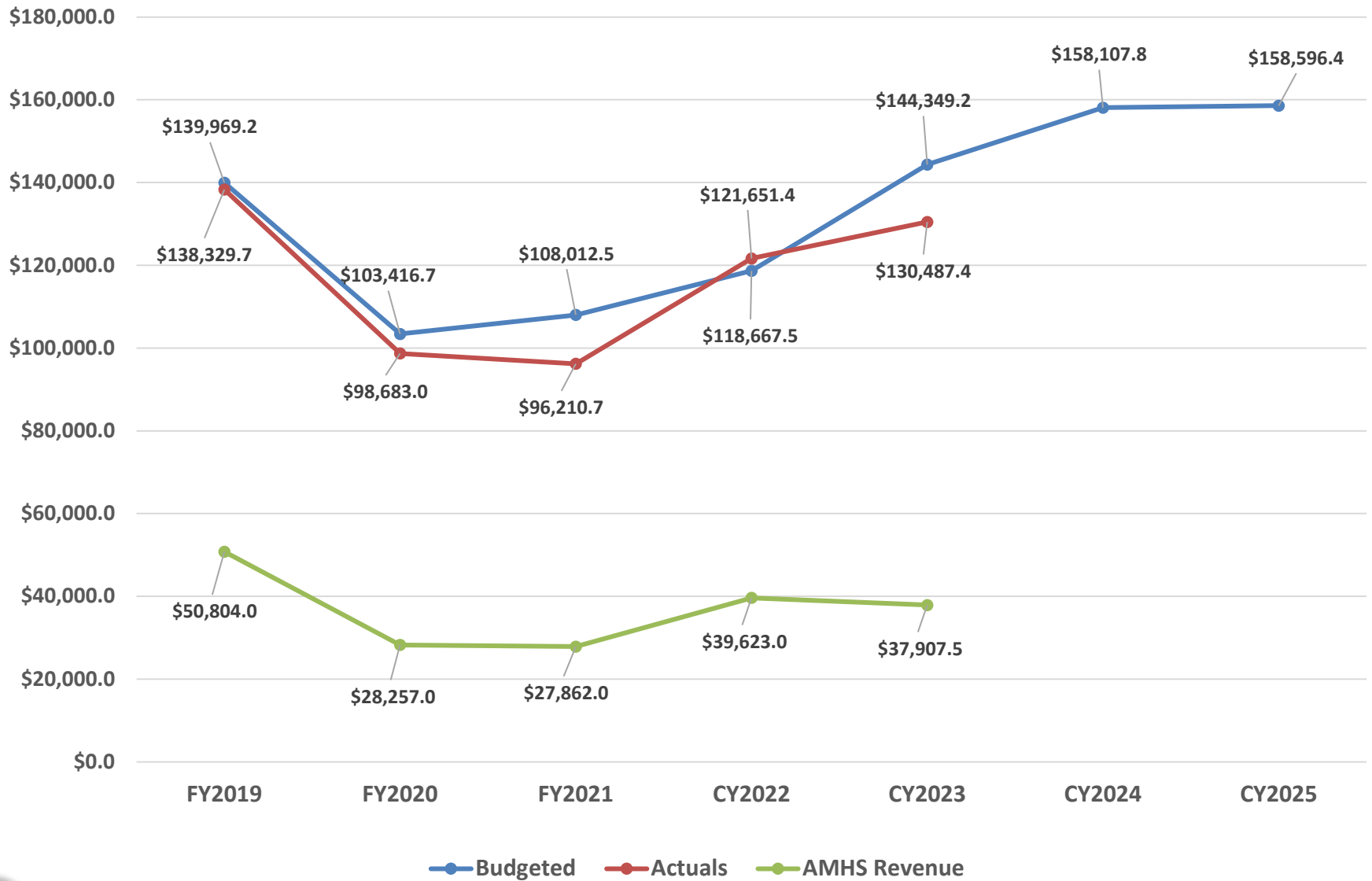


Federal Funds: IIJA Rural Ferry Grant Program (Title 49, Sec. 5334) & Alaska Highway (Title 23, Sec. 218)

FTA: Federal Transit Administration

\$ in thousands

Budgeted, Actuals, and Revenue



CY2023 actuals are preliminary

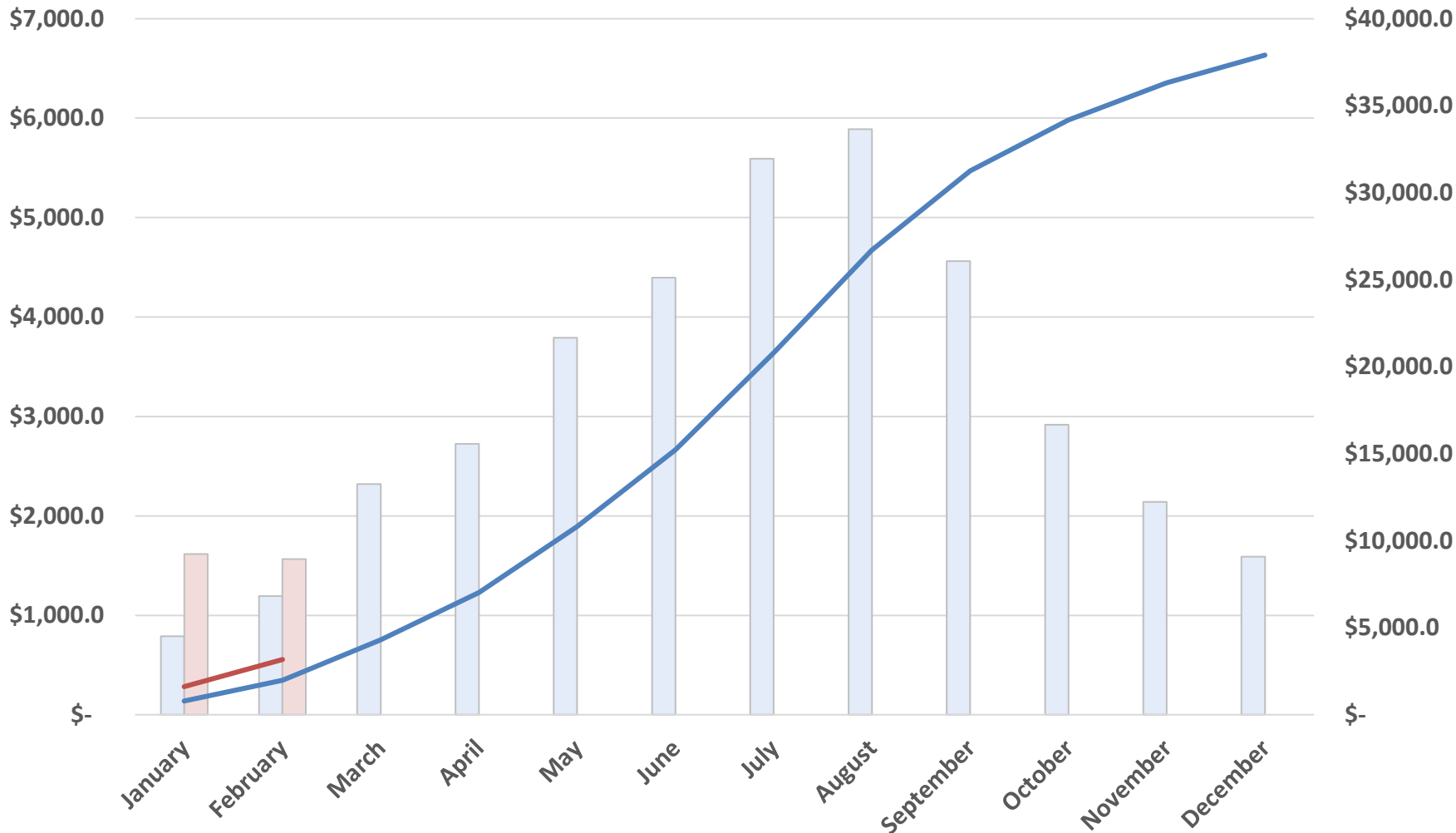
\$ in thousands



CY2023 & CY2024 System Generated Revenue

by Month

Year-to-Date (YTD)/
Cumulative



■ CY 2023 by month
 ■ CY 2024 by Month
 — CY 2023 YTD
 — CY 2024 YTD

\$ in thousands



Marine Highway Funds

Alaska Marine Highway System Fund (1076)

AS 19.65.060, AS 37.05.550

Marine Highway Fund	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (Projected Low)	FY2024 (Projected Flat)
Fund Balance, Beginning of Year	\$ 10,444.0	\$ 26,947.0	\$ 4,330.0	-	\$ 31,308.0	\$ 41,869.0	\$ 41,869.0
Marine Highway Revenue	\$ 51,203.0	\$ 28,991.0	\$ 28,138.0	\$ 31,923.0	\$ 39,758.0	\$ 38,107.0	\$ 39,758.0
Vessel Overhauls (Capital)	-	-	\$ (15,000.0)	-	\$ (21,752.0)	\$ (25,300.0)	\$ (25,300.0)
Operating Expenditures	\$ (34,700.0)	\$ (51,608.0)	\$ (17,842.0)	\$ (615.0)	\$ (7,445.0)	\$ (20,754.3)	\$ (20,754.3)
Fund Balance, End of Year	\$ 26,947.0	\$ 4,330.0	\$ (374.0)	\$ 31,308.0	\$ 41,869.0	\$ 33,921.7	\$ 35,572.7

AMHS Vessel Replacement Fund (1082)

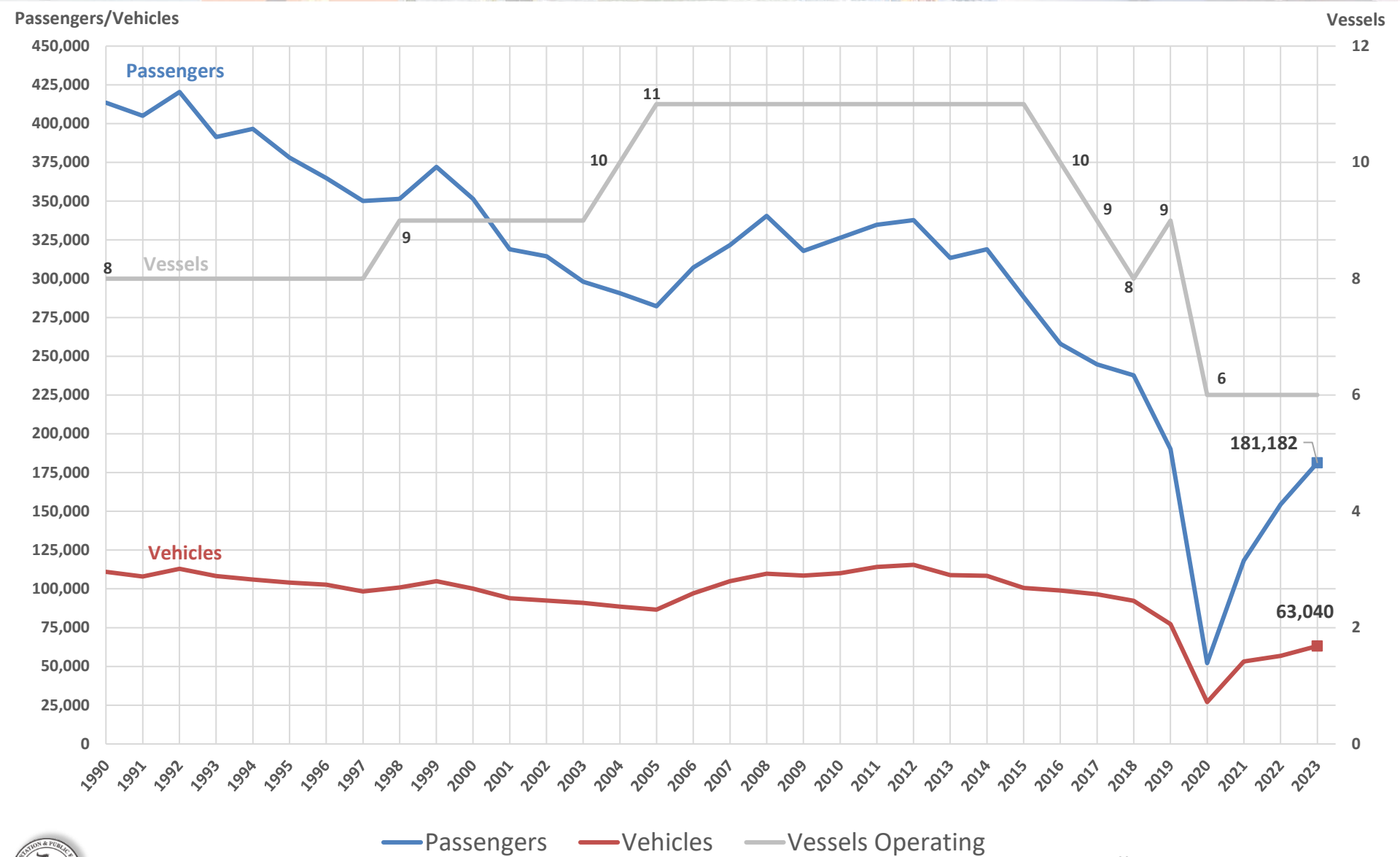
AS 37.05.550

Fund Balance	\$ 43,550.16
Reserve for Encumbrance	\$ 207.07
Fund Balance after Reserve for Encumbrance	\$ 43,757.23
Fund balance obligated by Appropriation	\$ (23,667.63)
Fund Balances Available for Appropriation	\$ 20,089.60

\$ in thousands



Lookback of Traffic



Traffic Numbers are Calendar Year

Crewing Status as of March 8, 2024



	Currently Employed	Total Needed	Current Status
Wheelhouse*	69	79	-10
Master			
Chief Mate			
2nd Mate			
3rd Mate			
		See above wheelhouse	
Chief Engineer	17	22	-5
1st Engineer	15	18	-3
2nd Engineer	12	18	-6
3rd Engineer	11	23	-12
Bosun	14	13	1
Able Bodied Seaman	62	60	2
Ordinary Seaman	28	28	0
OSP	15	14	1
WM	18	18	0
Jr. Engineer	9	15	-6
Oiler	25	29	-4
Wiper**	14	5	9

NOTES:

*The system is short on licensed officers with pilotage. Need 27 more officers with full pilotage.

**Extra Wipers used for developing our own Oilers and Jr Engineers as hiring directly is extremely challenging.

Steward positions are not included as the system is staffed with raw numbers, though this entry level position has a very high turnover rate, therefore recruiting is still a priority. Presently we are experiencing a shortage of cooks which is causing a gap in skilled workers and affecting operations.



Hiring Activity

AMHS is leveraging multiple recruitment platforms and services

Sample Report from Applicant Stack Platform

Report Data			
Job Name	# Candidates	Job Stage Name	Job Date Created
Aug 2022			
Steward (Alaska Marine Highway) [1026]	589	Complete	08/23/22 04:18 PM
Aug 2023			
AMHS Blanket Application: Oilers, Engineers, and Mates [1028]	68	Open	08/14/23 02:04 PM
Oiler [1027]	20	Complete	08/11/23 10:42 AM
Steward [1029]	249	Processing	08/24/23 02:43 PM
Nov 2023			
Able Bodied Seaman [1030]	29	Open	11/24/23 03:31 PM
Dec 2023			
Steward [1031]	158	Open	12/20/23 11:56 AM
Mar 2024			
Third Assistant Engineer [1033]	2	Open	03/06/24 12:24 PM

Applicant Stack: Stewards

- **Out of 996 Candidates**
 - **343** Pre-Hired (accepted Job Offer)
 - **112** Appointed



Recruitment & Operational Efforts

- Payroll improvements within DOT&PF
- Hired a Dispatch Manager
- Hiring a Crewing Manager
- Hired a recruiting position in January
- Attend Career Days at our national Maritime Academies
- Attending coastal community High School Career Days
- Masters, Mates & Pilots assisting with AMHS Retirees coming back to work
- With Department of Labor & Workforce Development, developing a program to introduce the marine industry as a career to our Alaska high school coastal communities
- Developing career pipeline paths to assist our crews with progressing upward
- Alaska Vocational Technical Center and University of Alaska Southeast providing training for our U.S. Coast Guard required certifications



Planned Terminal Projects



- **Cordova Terminal Upgrade – 2024-2025**
- **Tatitlik Terminal Upgrade – 2026**
- **Chenega Terminal Upgrade – 2025-2026**
- **Auke Bay East Berth Upgrade - 2025**
- **Pelican New Terminal – 2026**
- **Angoon Terminal Upgrade – 2026**
- **Kake Terminal Upgrade – 2026**
- **Saxman New Terminal for Annette Island- TBD**





Recruitment Report

- **4th Quarter 2023 Recruitment Statistics**

- Hired 32, 12 separated

- **4th quarter Broken Down by Position:**

- +3 Masters, Mates & Pilots (MM&P), hired three mates and lost none
- Total Marine Engineer Beneficial Association (MEBA) count remained the same with no new hires and no departures
- Total Inland Boatman Union (IBU) deck remained flat, hired three and lost three
- Total IBU Engine remained the same, hired one and lost one.
- +17 IBU Stewards, hired 25 and lost eight

- **Losing Ground with Licensed Positions, Total Count for 2023 was:**

- -3 MM&P, hired eight and lost 11
 - New hire mates lack local pilotage. It takes a few years to acquire pilotage
- -2 MEBA, hired four and lost six



Fleet Upgrade Projects

- **Tazlina** – Addition of Crews Quarters: 2024
- **Columbia** – Upgrade Controllable Pitch Propellers: 2025
- **Kennicott** – EPA Required Emission Upgrade: 2025
- **Matanuska** – Regulatory Safety Required Improvements: TBD



New Vessels

Tustumena Replacement Vessel

- Construction RFP --- soon

Mainliner Replacement Vessel – 2024 Design

Hybrid No-Low Emissions Ferry – 2024 Design

Toll Matching Credits

- Authorized in 23 USC 120 - Federal Share Payable - (i) Credit for Non-Federal Share
- AMHS Revenue spent on capital improvements generate credits
- Credits, when applied, allow other federal dollars to take place of state match funds on FTA and FHWA projects
- DOT&PF modeled program after WashDOT
- \$42.2M requested and Pending Federal Highway Administration approval

For Each Project or Phase, The STIP Shall Include:

- Projects selected to receive CMAQ, CRP, STBG and TA funds using Toll Credits as match:
 - ✓ Project must be fully funded with federal funds
 - ✓ No match is to be programmed
 - Transportation Improvement Program (TIB)
 - County Road Administration Board (CRAB)
 - Local Funds
 - State funds
- The following statement **must** be included at the end of the project description:
 - ✓ Project is fully funded with federal funds using Toll Credits as local match.

Excerpt from WashDOT STIP training
<https://wsdot.wa.gov/sites/default/files/2023-04/pdf-2023-STIPtrainingPresentation.pdf>

Alaska DOT&PF Toll Credit Calculations (*whole dollars*)

State Fiscal Year	Requested Credit Amount (\$)
2016	N/A
2017	N/A
2018	N/A
2019	Did not qualify
2020	2,652,799
2021	13,997,370
2022	5,453,729
2023	20,074,885





Thank you. Questions?

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